

Market Commentary

Stepping the Mast

This article, contributed by Bob Kunkel, is an important reminder of the history and traditions of the industry which seems these days to be more focused on values, returns and markets.

Out of the ashes of what was a “virtual shipbuilding” project in Mobile, Alabama to build three 42,000 deadweight U.S. Flag Jones Act Chemical/Crude oil/Product Carriers now rises the MV American Phoenix, a survivor of the AHL Shipping bankruptcy that occurred in 2009. The asset, a partially completed first unit, the ex-Dos Raven, is now continuing construction with new owners and a new shipyard.

Mid Ocean Tanker Company (MOTC), a joint venture of Mid Ocean Marine and Alterna Capital located respectively in Norwalk and Wilton, Connecticut purchased the hull out of bankruptcy in January 2011 for approximately \$12.6 million dollars. Approximately 70% complete and with over 1.1 million man-hours already recorded in the construction, the purchase was considered more than a winner. In March 2011, MOTC contracted with BAE Shipyard of Mobile, Alabama to launch and finish the vessel. A recent Mast Stepping Ceremony held onboard on September 15, 2011 shows progress towards that completion and delivery.

Coins are associated with the building of a ship. At keel laying, during the early stages of the build, owners traditionally place a gold coin under the keel to bless the ship and bring it good fortune. The Mast Stepping Ceremony is believed to have originated in ancient Rome or Greece and is conducted near completion with the raising of the mast. One theory describes the ceremony as protection from the dangers of early sea travel as the coins were placed under the mast so the crew could cross to the afterlife if the ship met with misfortune. The Romans believed it was necessary for a person to take coins with them to pay the god Charon in order to cross the river

Styx into the next world. As a result of this belief, coins were placed in the mouths of the dead so they could pass with the tribute. As the practice grew the insertion of coins under the ship's mast functioned as a form of sacrifice to the gods and a request for divine protection to the ship's warriors and crew. The U.S. Navy continues the ritual to this day, and the coins now symbolize aspects of the ship's heritage and remain forever welded in the masts of today's warships and commercial tonnage.

Two sets of coins were placed under the mast by the Connecticut owners. The first set a 2011 Liberty Silver Dollar and three Lincoln pennies representing “Hull 103” and the year the continued construction commenced. A coin set wishing the vessel and the crew who sails her fair winds and calm seas.

To acknowledge the hope that the *American Phoenix* follows the steps of previously built U.S. Flag tonnage in assisting with homeland security and the support of our Armed Forces, a second set of coins – One 2011 Liberty silver dollar and two Lincoln pennies - acknowledged the service and sacrifice of 2nd Platoon, Alpha Company, 1st Battalion Connecticut 102nd Infantry Regiment, 86th Brigade Combat Team and their recent return home from Laghman province, Afghanistan.

Shipyard workers in the BAE Alabama facility who have contributed to her construction then stepped up and added their “two cents” with the addition of other coins and memorabilia.

The vessel will be launched on or about October 20, 2011 and commence testing and trials shortly thereafter to enter the U.S. flag domestic fleet. The vessel is a different animal than recent tanker tonnage introduced out of the Aker and NASSCO shipyards. With principal characteristics of 187.78 meters in length, a molded breadth of 32.20 meters and a design draft of 11.00 meters, the ship

has a total deadweight of 42,400 metric tons and an estimated speed of 15 knots. A fully redundant design in propulsion, navigation and cargo capability, the vessel is diesel -electric propelled by three (3) MAK 12VM32C, 5760 KW four stroke diesels with two Siemens

IDK 4543-Z AL05-Z - 6910 Kva generators. This is not your father's typical Jones Act tanker and we look forward to reporting on her delivery and charter in the near future.



Hull 103 on the blocks at BAE Shipyard Mobile



The first set of coins "hull 103"



One of the owner's technical reps places the second set of coins under the mast



The coins in place at the mast foundation



The mast is "stepped"